

8 MAR 1962

MEMORANDUM FOR: Comptroller
Director of Personnel
Director of Security

SUBJECT: H. R. 8209 - "A BILL To amend section 15 of the Administrative Expenses Act of 1946, relating to contracts by the departments and establishments of the Government for the services of experts and consultants."

1. Forwarded herewith, for your information, is a copy of the Bureau of the Budget's 12 January 1962 letter to the Chairman, House Committee on Government Operations, concerning H. R. 8209, "A BILL To amend section 15 of the Administrative Expenses Act of 1946, relating to contracts by the departments and establishments of the Government for the services of experts and consultants." Also attached is a copy of the Bureau of the Budget's 31 August 1961 letter to the Speaker of the House of Representatives, together with attachments A-D to that letter, which recommended a draft bill on the same subject.

2. This Agency commented on H. R. 8209 by letter dated 26 January 1962 to the Chairman, House Committee on Government Operations. Copy of this communication was forwarded to you on 26 January 1962.



Assistant Legislative Counsel

Attachments
As Above



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EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25 D C

January 12, 1962

Honorable William L. Dawson
Chairman, Committee on
Government Operations
House of Representatives
Room 1536 New House Office Building
Washington 25, D. C.

Dear Mr. Chairman:

This is in reply to your letter of July 21, 1961, requesting the views of the Bureau of the Budget with respect to H.R. 8209, a bill "To amend section 15 of the Administrative Expenses Act of 1946, relating to contracts by the departments and establishments of the Government for the services of experts and consultants," and to your related letter of September 7, 1961. With specific reference to the September 7 letter, all reporting departments and agencies are being advised that there is no objection to their submission of such report on H.R. 8209 as they consider appropriate.

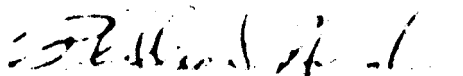
H.R. 8209 would authorize the procurement of services of experts or consultants only as independent contractors. We believe there are definite advantages in many instances to the direct short-term procurement of the services of individual experts and consultants as employees. Such employment without regard to the civil service laws and the Classification Act permits greater flexibility, often results in greater economy, and provides certain safeguards in connection with the individual's performance and conduct. If engaged as independent contractors, individual experts and consultants would not have the status of employees and would not be subject to the various statutes and regulations relating to conflicts of interest, divulging or misuse of official information, and other personal and financial relationships of Government employees.

H.R. 8209 would impose restrictions and procedural requirements on contracts for expert and consultant services beyond those contained in the various procurement statutes and regulations. It would require formal written determinations on a number of subjects by the head of the department or agency prior to contract. These complex administrative requirements would discourage the use of such services in many instances where it would be desirable to have expert advice from outside sources, and would often make it impossible to obtain expert services promptly in emergency situations.

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Following a study of the employment of experts and consultants for management advisory and consulting services, the Bureau of the Budget developed a proposed amendment to section 15 of the Administrative Expenses Act. It was forwarded to the Speaker of the House of Representatives on August 31, 1961, and was referred to your Committee. We recommend enactment of this measure in lieu of H.R. 8209.

Sincerely yours,



Phillip S. Hughes
Assistant Director for
Legislative Reference

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EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
Washington 25, D. C.

August 31, 1961

Honorable Sam Rayburn
Speaker of the House of
Representatives
Washington 25, D. C.

Dear Mr. Speaker:

We are submitting the enclosed proposed legislation amending section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a) for the consideration of the Congress. This draft bill would provide: (1) general authority for the employment of individual or organizations of experts and consultants without the need for additional authority in appropriation or other acts; (2) Presidential regulation of the conditions under which individuals or firms may be procured, used, and compensated for such services; and (3) that all authorizations in other statutes for use of experts and consultants be subject to Presidential regulation issued under section 15 unless specifically exempted by statute. A section analysis is also enclosed with this letter.

This draft legislation would place in effect the recommendations contained in the Bureau of the Budget's report on "Employment of Experts and Consultants in the Executive Branch," submitted to the Subcommittee on General Government Matters of the House Committee on Appropriations on January 16, 1961. That report, a copy of which is enclosed, contains detailed justification for the proposed legislation.

The proposed bill would remove inconsistencies and confusions in connection with various authorities for obtaining the services of experts and consultants, and would authorize the President to establish general executive branch policy with respect to such services. The Bureau of the Budget recommends favorable action by the Congress on this draft bill.

Sincerely yours,

(signed) Elmer B. Staats
Acting Director

Enclosures

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consultants or organizations thereof under the provisions of this section or under any other law: Provided, That the compensation of individuals appointed under subsection (a) and contractors whose services are procured under subsection (b) of this section shall be reasonable by comparison with that paid them by other Government and non-Government clients, and by comparison with rates charged the Government by similarly qualified individuals or organizations.

Sec. 2 Any reference in any other Act to section 15 of the Administrative Expenses Act of 1946 (60 Stat. 810; 5 U.S.C. 55a), shall be construed to include the amendments to such section made by this Act.

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procured and paid for, and (c) to provide that all authorizations in other statutes for obtaining expert and consultant services be subject to Presidential regulations issued under Section 15 unless specifically exempted from that Section by legislation.

2. Second, we propose that Presidential regulations to be issued pursuant to Section 15 as so amended, permit all agencies, under prescribed conditions, to compensate individual experts and consultants at rates up to \$100 per day, and, in exceptional cases, at higher rates. While authority is now specifically available to eight agencies to pay up to \$100 per day, many agencies are being denied, I believe, desirable opportunities to obtain the temporary services of highly qualified individuals, and are left with the alternative of contracting with an organization at greater total cost to the Government than would be the case if individual experts could be freely retained.
3. Third, we propose the issuance by direction of the President of a Bureau of the Budget Circular prescribing uniform regulations covering (1) the conditions under which contracts with management consulting organizations are justified (2) practices in respect to securing multiple proposals and entering into such contracts; and (3) administration of such contracts. The scope of these proposed regulations is described more fully in the enclosed report.

We are prepared to furnish additional information based on the results of this study, if you desire, and to amplify our findings and recommendations.

Sincerely yours,

Marion H. Stans
Director

Honorable George W. Andrews
Chairman, Subcommittee on General
Government Matters
Committee on Appropriations
House of Representatives
Washington 25, D. C.

Enclosure

**EMPLOYMENT OF EXPERTS AND CONSULTANTS
IN THE EXECUTIVE BRANCH**

**A Study Prepared for the Subcommittee on
General Government Matters of the
House Committee on Appropriations**

**Prepared by the
Bureau of the Budget
January 1961**

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to review their internal practices and controls, and to discuss agency experience. The following paragraphs outline the:

- a. Number, size, and purpose of contracts identified in the study.
- b. Types of contractual arrangements, and bases for determining amounts of payment.
- c. Statutory authorities governing employment of experts and consultants.
- d. Existing administrative regulations and controls.
- e. Summary of conclusions and actions proposed.

A. Number, Size and Purpose of Contracts Identified

Table 1 which follows presents a tabulation by agency of the number and cost of the contracts reported in response to Bulletin No. 61-3.

Table 1

Use of Experts and Consultants

Agency	Hire of Individuals FY 1960		Hire of Organizations FY 1958-59-60	
	Number	Total Actual Payment	Number of Contracts	Max. Amt. Payable
Advisory Committee on Intergovernmental Relations	2	\$ 410.47	-	\$ -
Agriculture Department	75	11,200.68	3	49,025
Atomic Energy Commission	5	1,581.11	5	55,118
Bureau of the Budget	5	1,602.95	8	325,700
Central Intelligence Agency	-	-	1	10,000
Civil Aeronautics Board	-	-	1	20,925
Civil Service Commission	36	15,200.63	1	2,500
Commerce Department	-	-	1	137,500
Development Loan Fund	-	-	2	15,300
Farm Credit Administration	-	-	1	13,120
Federal Aviation Agency	5	12,499.32	2	17,300
Federal Deposit Insurance Corporation	-	-	1	26,001
Federal Mediation and Conciliation Service	4	819.05	-	-
General Services Administra- tion	6	6,857.67	2	115,800

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Table 1Use of Experts and Consultants

Agency	Hire of Individuals FY 1960		Hire of Organizations FY 1958-59-60	
	Number	Total Actual Payment	Number of Contracts	Max. Amt. Payable
Health, Education, and Welfare Department	64	\$101,049.62	21	\$ 206,424
Housing & Home Finance Agency	7	6,677.40	1	16,452
Interior Department	67	148,539.89	3	22,320
International Cooperation Administration	74	185,504.36	8	1,120,885
Interstate Commerce Commission	2	5,666.28	-	-
National Aeronautics and Space Administration	-	-	5	231,950
National Labor Relations Board	1	100.00	1	50,000
National Science Foundation	1	1,085.00	7	371,411
Office of Civil and Defense Mobilization	-	-	1	19,303
Panama Canal Company	4	21,709.45	6	70,500
Post Office Department	10	42,339.37	18	1,240,089
Railroad Retirement Board	1	7,468.30	-	-
Securities and Exchange Commission	-	-	1	86,000
Subversive Activities Control Board	1	1,923.04	-	-
Tennessee Valley Authority	-	-	1	1,000
Treasury Department	48	65,116.71	10	283,080
Veterans Administration	15	36,557.50	5	157,250
State Department	1	2,000.00	2	28,965
Total Civilian Agencies	434	\$676,326.33	118	\$4,693,918
Department of Defense:				
Office of Sec/Defense	39	\$ 107,928.53	9	\$ 311,075
Army Department	122	101,386.41	39	11,603,002
Navy Department	39	82,763.02	25	1,688,832
Air Force Department	29	44,552.45	8	1,274,825
Total, Department of Defense	229	\$336,630.41	81	\$14,877,734
GRAND TOTAL	663	\$1,012,956.74	199	\$19,571,652

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1. Hire of Individuals

During fiscal year 1960, 26 agencies in the executive branch obtained the temporary services of 663 individual experts and consultants for managerial advisory services at a total cost of about \$1 million. The fact that these arrangements were temporary or intermittent is illustrated by the fact that, on the average, such individuals were actually paid for less than 30 days during this twelve-month period.

The principal users of per-diem experts, as indicated in Table 1, are the Defense agencies and five civilian agencies: the Treasury, Interior, Agriculture, and Health, Education, and Welfare Departments; the Civil Service Commission, and the International Cooperation Administration.

A study of the services performed by individual experts and consultants reveals that their efforts were of three principal types: (1) conduct of training programs; (2) assistance in other phases of management, such as organization planning, studies of procedures and property management; and (3) specialized technical or professional services.

2. Hire of Consulting Organizations

During the three fiscal years ended June 30, 1960, there were in effect 199 contracts between 28 agencies and 95 different firms. The maximum amount payable under these contracts was reported to be \$19.6 million.* Over 85 per cent of that maximum was committed under contracts made by the Defense agencies, the Post Office Department, and the International Cooperation Administration. Attachment B presents a complete listing of the contractors utilized showing the number of contracts awarded to each and the maximum amounts payable.

An analysis of the 95 contractors, shown in Table 2 which follows, indicates that they fall into two broad groups:

- (1) Commercial firms and organizations which are engaged in providing general management research and advisory services at a profit.
- (2) Universities and other non-commercial institutions which undertake such assignments as a part of their academic and research programs. Amounts charged to the Government are

* Excluding the Army contract with the Operations Research Office which is only in small part concerned with management-type studies.

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calculated to reimburse the contractor for direct salary costs, out-of-pocket expense and overhead, supplemented in some cases by a modest fee.

This general distinction between commercial and non-commercial organizations is particularly significant in the subsequent evaluation.

As indicated in Table 2, the commercial-type organizations were awarded about two-thirds of the contracts, measured in dollars. However, the average dollar size of contracts of the two groups differs, with the larger assignments being awarded to non-commercial organizations.

The commercial organizations were engaged primarily to make studies in the administrative management area, with the heaviest emphasis upon systems and procedures, property management, and financial management subjects. The non-commercial organizations were most heavily involved in personnel and training assignments, and in studies of property management including, particularly, the highly complex military logistic problems.

Table 2

Analysis of Contracts with Consulting Organizations

A. By Type of Contractor

Type of Contractor	Number of Organizations	Number of Contracts	Maximum Amount Payable	Average Per Contract
Commercial (Management consulting, Accounting and Industrial Firms)	60	146	\$12,927,938	\$ 88,540
Non-Commercial (Universities and Institutions)	<u>35</u>	<u>53</u>	<u>6,643,714</u>	<u>125,353</u>
Total	95	199	\$19,571,652	\$ 98,098

B. By Type of Service Performed

Type of Service Performed	Commercial Organizations	Non-Commercial Organizations	Total
General surveys	\$ 908,178	\$ 24,580	\$ 932,758
Financial Management	1,465,145	754,560	2,219,705
Personnel and Training	611,682	3,453,560	4,065,242
Property Management	2,148,673	1,047,624	3,196,297
Systems and Procedures	6,843,668	851,736	7,695,404
Other	950,592	511,654	1,462,246
Total	\$12,927,938	\$6,643,714	\$19,571,652

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B. Contractual Arrangements and Bases for Payment**1. Individual Experts and Consultants**

In 478 of the 663 cases, payment was made at a specified rate per day, plus living and travel expense. The range of rates paid is shown in Table 3. Seventy-eight percent were compensated at or below the maximum rate for Grade 15, which in fiscal year 1960 was \$56.56.* In the 22 percent of the cases where individuals were paid above the GS-15 level, 57 were paid under special exemptions from limits imposed by Section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 95a) granted to the individual agency or program. Of the remaining nine, four were paid under authority provided in the Federal Property and Administrative Services Act and five under the Armed Services Procurement Act. The highest payment made was \$150 per day.

There were 162 cases in which a lump sum, fixed price arrangement was made with an individual to produce a report, conduct training or provide some other services where the individual bore other expenses, including living, travel, and other out-of-pocket costs. Analysis of these cases reveals that half were paid at an "equivalent gross rate" (that is, including expenses) of \$75 per day or less, and two-thirds at an equivalent of \$100 per day or less. Where the "equivalent gross per-diem rate" exceeded \$100 per day, there were costs to the individual not reimbursed by the Government for living, travel or extensive preparation time in addition to days worked (such as in the case of training assignments). The highest "equivalent per-diem rate" paid in one instance was \$240 or \$30 per hour. As discussed below, this rate is comparable to that paid to principal members of consulting organizations.

Table 3Per-Diem Rates Paid to Individual Experts
and Consultants in FY 1960

<u>Amount Per Day</u>	<u>Number of Individuals Paid at this Rate</u>
\$12.00	1
20.00	2
25.00	8
30.00	4
35.00	13
36.72	1
38.00	1
40.00	24
42.00	1
42.72	1

* As a result of the recent pay increase the maximum now allowable is \$60.88.

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Table 3, cont.Per-Diem Rates Paid to Individual Experts
and Consultants in FY 1960

<u>Amount Per Day</u>	<u>Number of Individuals Paid at this Rate</u>
\$43.68	1
45.00	11
48.50	1
49.00	1
49.12	1
50.00	300
51.44	1
53.76	27
54.00	1
55.00	3
56.56	9
60.00	10
65.00	4
70.00	1
75.00	40
100.00	10
150.00	1*

2. Consulting Organizations

Eight-six percent of the contracts with organizations were either for a lump-sum (i.e., a fixed amount covering all costs of the contract), or for a ceiling amount with reimbursement based upon stated costs for staff time and specified expenses. In the remaining cases, cost-plus-fixed-fee was the principal basis used; the nature of the assignment was such that the scope could not be defined with sufficient precision to permit a lump-sum or ceiling amount to be set.

Billing rates for the contractor's personnel were rarely cited in the lump-sum contracts, though we are informed such rates may appear in proposal letters for review during contract negotiation. Agency questionnaires listed the billing rates which appeared in 88 contracts. A total of 359 rates were reported, distributed as shown in Table 4. The highest rate cited in a contract with a non-commercial organization was \$12 per hour, and the majority was under \$10. In contrast, the majority of rates quoted by commercial organizations

*Contract executed by the Army Regional Training Center for lectures on Personnel Management for Executives in the Management Development Program.

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was \$15 per hour or more with the typical ceiling in the range from \$35 to \$37.50 per hour. These variations were investigated with the following findings:

a. Non-commercial organizations in stating their cost breakdowns quote the actual amounts paid to the individual participants, and almost all cases cite additional reimbursable costs for out-of-pocket expenses, clerical assistance, other overhead, plus fee, if any.

b. The commercial firms, in stating a billing rate for each class of staff, generally are quoting a "price" which includes an allocated share of overhead and a profit factor. This rate is, therefore, not the payment which the individual participant receives. While factual data is not available to determine what part of a billing rate represents direct cost, it is conservative to assume that no more than 50 percent of the rate represents the direct salary cost of the individual. Thus, hourly or daily rates as such cannot be compared for commercial and non-commercial organizations; the only meaningful comparison is the total of all costs.

Table 4

Billing Rates for Contractor Personnel
Cited in 88 Contracts

<u>Per Hour Rates</u>	<u>Commercial Organizations</u>	<u>Non-Commercial Organizations</u>	<u>Total</u>
Over \$40	5	-	5
35-39	20	-	20
30-34	14	-	14
25-29	41	-	41
20-24	48	-	48
15-19	50	-	50
10-14	44	3	47
Under 10	62	72	134
Total	284	75	359

A review of the billing rates cited in contracts with commercial organizations reveals that:

a. Rates quoted by the same firm to different Government agencies are generally consistent and are reported to be in accordance with the contractor's customary rates and practices, although there have been isolated exceptions to this.

b. The per-hour rates quoted recognize several levels of professional staff. The highest rates -- those at \$30 per hour and above -- are quoted for partners, owners, directors, and principals of the organization. These are individuals who are responsible for committing their organization to perform the assignment, supervising the work, and assuring an acceptable product for the client.

Rates in excess of \$40 per hour were cited in only four contracts during the past three years.

<u>Agency</u>	<u>Firm</u>	<u>Rates Cited Per Hour</u>
Post Office Department	McKinsey and Company	\$50.00 for Director
Health, Education, and Welfare Department	Booz, Allen & Hamilton	42.86 for Partner
Navy Department	Booz, Allen & Hamilton	45.00 for Project Director and Senior Project Analyst
Panama Canal Company	Applied Research Corp. Lybrand, Ross Brothers and Montgomery	50.00 for Partner

c. Rates in a range of \$15 to \$30 per hour are quoted for staff technicians, and those below \$10 for clerical, stenographic, graphics, and non-professional support personnel.

d. The principal uses of rates in negotiating contracts with commercial organizations are in determining (1) the levels of professional help which the contractor proposes to assign, and (2) the distribution of the contractor's total staff effort among these levels. These factors are useful in comparing contractors on the basis of their understanding of the complexity and scope of the assignment, and on the possible quality of the finished product as indicated by the level of professional staff effort.

A very important safeguard against excessive rate charges by commercial organizations of consultants lies in their warranty that such rates are not in excess of those which they charge non-Government clients for the services of the same individuals. Such assurances, which can be verified, establish that the Government is paying a normal and regular charge for a service it receives.

Another important safeguard to assure that the desired product will be furnished at the lowest reasonable cost lies in obtaining an adequate number of proposals from commercial firms based upon a precise definition of the objectives and scope of the contract. In this respect, it appears that greater emphasis should be laid upon obtaining proposals from more than one source. Among the contracts with commercial firms, formal proposals from more than one firm were received in only 38 out of 146 cases. However, the engagement represented a repeat use of the same firm by the same agency during the past three years in an additional 43 cases. In the remaining 65 cases, agencies

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indicated various methods employed to make a preliminary screening of potential contractors before soliciting a proposal. Nonetheless, it appears that more emphasis upon soliciting formal proposals from multiple sources would provide a desirable safeguard.

C. Review of Legal Authorities

The principal authority under which agencies contract for the services of either an individual or an organization is Section 15 of the Administrative Expenses Act of 1946 (P.L. 600, 79th Congress). This statute provides that agency heads may contract for the services of experts or consultants, or organizations thereof, without regard to the Civil Service and Classification laws, when authorized to do so in an appropriation or other act. To the extent not provided in such separate authorities, Section 15 limits the maximum rate payable to an individual to the per-diem equivalent of the highest rate payable under the Classification Act. The Comptroller General has held (29 Comp. Gen. 267) that this does not include rates payable under that act to the so-called supergrades, but is limited to the third longevity step for grade GS-15.* Ninety-six authorizations pursuant to Section 15 are now contained in other acts which permit the following per-diem amounts:

- 18 specify a maximum of \$50 per day.
- 7 permit up to a maximum of \$75 per day.
- 8 permit up to a maximum of \$100 per day.
- 1 (White House) contains no maximum limitation.
- The remaining 62 are required to stay within the maximum of grade GS-15.*

Another limitation imposed by Section 15, unless a specific exemption is made, is that such employment, if continued, may not be in excess of one year. Three agencies now have an exception from this limitation. In addition, the authorizing acts themselves impose further restrictions in some cases, such as the number of individuals who may be retained and the maximum amount available for the purpose during a given year. A summary of fiscal year 1960 authorizations is presented in Attachment C.

While Section 15 of the Administrative Expenses Act is the basic authority under which most expert and consultant services appear to be obtained, numerous other legislative provisions have generally been construed to provide independent authorities. These are detailed in Attachment D. They include:

- The Government Employees Training Act which permits all agencies to engage outside individuals or organizations for the training of employees.

* \$56.56 prior to the last pay increase. The new maximum is \$60.88.

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- The Federal Property and Administrative Services Act (for civilian agencies), and the Armed Services Procurement Act (for Defense agencies), which permit agencies to procure personal or professional services by negotiation. Civilian agencies exercise their authority under regulations of the General Services Administration.
- Other separate authorities granted to 17 agencies in substantive legislation or appropriation acts.

Through one or more of these statutes all agencies appear to have some independent authority for the employment of individual experts and consultants which is free of the limitations imposed by Section 15.

Most of the 17 separate authorities for individual agencies place no ceiling upon the maximum rate payable. Where they specifically state maximum amounts they apply only to the hire of individual experts and consultants. The Comptroller General in a decision dated September 12, 1946 (26 Comp. Gen. 188) held that this limitation was not applicable to individuals employed by firms or organizations when the Government contracts for services of a non-personal nature -- that is, for a "product." This distinction between personal and non-personal service contracts may be further defined as follows:

- Where the Government obtains the personal services of an employee, he works under Government supervision and is responsible for carrying out the instructions of the Government officials who supervise his work. The Government furnishes such materials and services as necessary for the employee to perform his work.
- Under a non-personal service contract, the contractor (whether a firm or an individual) is responsible for producing an end-product or result; performing the work through agents or employees of his own choosing; and furnishing the materials, services, and supplies necessary for the performance of the work.

As can be seen from the foregoing, the present legislative basis authorizing the employment of individuals and organizations is highly fragmented, inconsistent and complex.

- It is therefore recommended that Section 15 of the Administrative Expenses Act of 1946 be amended to provide authority to all agencies, under regulations issued by the President, to procure both personal and non-personal services (as defined by the Comptroller General).

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- The proposed Presidential regulations should clearly establish the basis of setting per-diem rates payable to individual experts and consultants. Since there are now several instances where individual agencies are authorized to pay up to \$100 per day, and since this figure bears a reasonable relationship to the total compensation paid to career personnel in Grade GS-18 (after allowance is made for annual leave and Government fringe benefits), it is suggested that \$100 per day be considered as an appropriate ceiling amount at this time, with provision in exceptional circumstances for rates in excess of this amount. It is believed that this greater flexibility for all agencies will open desirable opportunities to obtain the temporary services of highly-qualified individuals; sometimes in lieu of contracting at greater cost with consulting organizations.

D. Administrative Regulations and Controls

1. Hire of Individual Experts and Consultants

Agencies subject to the civil service laws are now under some supervision by the Civil Service Commission in respect to the employment of individual experts and consultants. When a statute excepts experts or consultants from the Civil Service or Classification Acts, that authority can be used to make a valid appointment only when the position filled has been determined to be of that character. The Commission and the agencies concerned enter into agreements which specify criteria and controls to be exercised by the agencies in the appointment of paid experts and consultants. If an agency does not have such an agreement, each individual appointment must be submitted to the Commission for prior determination that the appointment is actually that of an expert or consultant, and thus properly exempt from the civil service appointment processes and the classification act pay limitations. In both cases, the Commission conducts reviews of such appointments to assure compliance as part of the regular inspection program. However, it should be noted that this process does not apply to agencies exempt from civil service laws.

- In the Presidential regulations which would be issued under the proposed amendment of Section 15 of P. L. 600, the appointment of individual experts and consultants by all agencies should be brought under uniform criteria with respect to circumstances under which they are employed and the methods and amounts of their compensation.

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2. Hire of Consulting Organizations

Contracts with consulting organizations are not now subject to centrally issued regulations or reviews. As part of this study the internal agency policies of the nine agencies making the most extensive use of consulting organizations were reviewed. While the content of such administrative regulations was found to be generally satisfactory, they differed in scope, and several lacked a requirement in respect to obtaining multiple proposals. Furthermore, over half of the agencies which had used consulting organizations had only one or two such contracts in a three-year period. There is much less need or incentive for these agencies individually to develop separate internal regulations, although each should have the benefit of generally established regulations which should be observed by all agencies.

- The Bureau of the Budget proposes the issuance of a Circular which would provide Government-wide regulations covering the employment and use of consulting organizations for management research and advisory services.

These new regulations would provide criteria and guidance on the following:

- Conditions under which it is appropriate to obtain services of consulting organizations.
- Practices which should be observed in the solicitation of proposals: the scope and objectives of the work should be specified in writing and proposals should be obtained from multiple sources unless specific exemption from this requirement is granted by the agency head or his designee.
- Negotiation of contracts and pricing arrangements thereunder, including guidance as to the level of per hour rates which are considered reasonable for various classes of professional members of consulting organizations.
- Practices in respect to delegation by the agency head of authority to enter into such contracts.

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E. Summary of Conclusions and Actions Proposed

Analysis of the data furnished by the departments and agencies indicates that the temporary employment of experts and consultants, both as individuals and organizations, has provided a valuable means of obtaining highly qualified professional assistance in improving many aspects of Federal management. The principal use of experts and consultants during the past three years has been in increasing the competence and effectiveness of Federal employees through improved training programs; in reducing the cost of administering procurement and supply programs; in modernizing systems and procedures; and in strengthening organization and management controls.

It appears that there is a valid use for both individuals and organizations. However, the highest return from expenditures for such services cannot be assured unless more adequate per-diem rates for individual experts are established. It has also been found that uniform legislative and administrative regulations will assist the Congress and the executive branch in applying greater safeguards over the selection and compensation of individuals and organizations. Based on these findings, four actions are proposed:

1. That Section 15 of the Administrative Expenses Act of 1946 be amended to provide authority to all agencies, under regulations issued by the President, to procure the services of experts or consultants or organizations thereof, and to make all procurement of such services, under whatever authority, subject to such regulations.
2. That the Presidential regulations to be issued under the proposed revision of Section 15 provide central guidance or control relative to circumstances under which it is desirable to obtain the services of individual experts or consultants, the duration of such appointments, and the use of lump-sum or fee contractual authority to obtain such services, and also provide criteria for determining rates of compensation for such persons, within prescribed maximums.
3. That the proposed Presidential regulations permit all agencies, under prescribed conditions, to compensate individual experts and consultants at rates up to \$100 per day, and, in exceptional cases, at higher rates.
4. That the Bureau of the Budget, by direction of the President, issue a Circular which will provide Government-wide criteria for the employment and use of consulting organizations for management research and advisory services.

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.

BULLETIN NO. 61-3

August 17, 1960

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Report on the employment of experts, consultants, and consulting firms and organizations for management advisory services

1. Purpose. The Subcommittee on General Government Matters of the Committee on Appropriations of the House of Representatives has requested the Director of the Bureau of the Budget and the Comptroller General to study the practices of the various agencies in the hiring of experts, consultants, and consulting firms and organizations for management advisory services, and to make independent reports of findings and recommendations. In connection with these studies, all agencies are requested to submit information on the hire of all individuals employed as experts and consultants during the fiscal year 1960, and on the hire of firms or organizations of experts or consultants for the fiscal years 1958, 1959, and 1960.

2. Nature and form of the report. The attached questionnaires — one to supply information on the employment of individuals and the other on the employment of firms and organizations — have been developed jointly by the Bureau of the Budget and the General Accounting Office. Two copies of the information requested in these questionnaires are to be submitted to the Bureau of the Budget for each employment by your agency, including all constituents units, of individuals as experts and consultants or of firms or organizations of experts or consultants for management advisory services. One copy will be retained by the Bureau of the Budget and one will be transmitted to the General Accounting Office. In order that the Bureau and the General Accounting Office may meet the reporting requirements established by the Subcommittee, agency reports should be received by the Bureau of the Budget by September 19, 1960.

MAURICE H. STANS
Director

Attachments

INSTRUCTIONS FOR COMPLETING QUESTIONNAIRES

1. The term "employment" includes contracts and employments such as: (a) contracts for services entered into under the authority provided in section 302 of the Federal Property and Administrative Services Act of 1949, as amended (41 U.S.C. 252); (b) contracts for services entered into under the provisions of Chapter 137 (§2301-2314) of Title 10 of the U. S. Code, as amended; and (c) employments in accordance with section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a) and supplementary or independent individual agency authorizations to employ experts, consultants, or advisers. The term "employment" does not include employment of experts, consultants, or advisers (1) by prime contractors, (2) under regular civil service procedure, or (3) as provided in section 6.101 of the Civil Service Regulations.
2. The term "firms and organizations" includes any business enterprise, association, foundation or educational institution, and any unit of government outside the Federal Government of the United States.
3. The term "management consultant or advisory services" includes survey, study, advice or consultation on management problems and the design, preparation or administration of training programs in management or general administrative subjects or techniques. Scientific research and development contracts, architectural and engineering contracts, contracts for stenographic services, and contracts for the direct operation and management of Government-owned facilities (as described in Bureau of the Budget Circular No. A-49) are not included. Reports need not be made on employment of an individual serving without compensation, or as a medical diagnostic or therapeutic contractor or consultant.

QUESTIONNAIRE

HIRE OF INDIVIDUALS AS EXPERTS AND CONSULTANTS
Fiscal Year 1960

1. Department or agency _____
2. Bureau _____
3. Name and address of individual _____
4. Business affiliation if applicable _____
5. Site of duty performance _____
6. Contract period -- inclusive dates _____
(if renewal of prior year's contract, state dates
of original contract and subsequent renewals)
7. Rate of compensation _____
8. Number of days actually employed during FY 1960 _____
9. Total compensation paid during FY 1960 _____
10. Total expenses paid -- travel, per diem, and other reimbursable
expenses _____
11. Specific statutory authority for employment of
individual _____
12. Purpose of employment -- brief statement of specific duties,
services, and/or end results desired _____

QUESTIONNAIRE

HIRE OF PRIVATE FIRMS OR ORGANIZATIONS FOR THE EXAMINATION,
SURVEY OR APPRAISAL OF FEDERAL AGENCY ACTIVITIES AND/OR INFORMATION
AND ADVICE REGARDING SUCH ACTIVITIES

(Contracts in effect during FY '58, '59, and '60)

Department or agency _____

Bureau _____

1. Name of firm or organization and business address.
2. Date of contract (if renewal of prior year's contract, state dates of original contract and subsequent renewals).
3. State statutory authority for entering into contract.
4. Brief statement of purpose and scope of contract.
5. What is contracted for?
 - a. Formal report
 - b. Informal report
 - c. Training materials
 - d. Installation of system or technique
 - e. Other (explain)
6. Are the individuals assigned to this contract listed (either in the contract or the contract proposal) by name, title, or specific qualifications? If yes, please attach listing and billing rate charged for each individual or category of individual.
7. Contract period -- inclusive dates.
8. Maximum amount payable under the terms of the contract.
9. Total amount paid on contract as of June 30, 1960.
10. Percentage completion of contract as of June 30, 1960.

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Attachment B

Tabulation of Contracts by Firm

<u>Firm</u>	<u>Number of Contracts</u>	<u>Maximum Amount Payable</u>
American Institute for Research	2	1,387,265
American Power Jet Company	1	361,178
American University School of Government and Public Administration	2	53,350
Armour Research Foundation of Illinois Institute of Technology	2	75,412
Arthur Andersen and Company	2	30,500
Anderson-Nichols and Company	1	2,250
ARCS Industries	1	67,178
Association of American Colleges	1	5,348
Serge A. Birn Company	2	241,587
Bolt, Beranek and Newman, Inc.	2	7,438
Boos, Allen and Hamilton	14	1,421,067
Boston University, The Trustees of	1	425,000
Broadview Research Corp., Inc.	1	11,500
Brookings Institution	3	41,503
Bureau of National Affairs, Inc.	1	498
Case Institute of Technology	3	297,624
City College of New York	1	23,000
Clark & Rapusano	1	3,000
Coates, Herfurth & Englund	1	5,000
Covington and Burling	1	8,000
Cressap, McCormick and Paget	2	189,000
Dallier Associates, Inc.	1	60,000
Design Service Company of New York	1	92,572
Documentation, Inc.	1	26,001
Drake, Startzman, Sheahan & Barclay	1	43,000
Duke University	1	110,000
Dunlop and Associates, Inc.	2	90,163
Ebasco Services, Inc.	5	51,150
Engleman and Company, Inc.	2	37,886
Ernst and Ernst	6	492,138
Harold Pagan Associates, Inc.	1	3,000
Farwest Corrosion Control Corp.	1	4,820
Federal Electric Corporation	1	43,134
Finston, Herman and Associates	2	20,066
Joseph Fraggatt & Company, Inc.	1	20,000
Fraser and Torbert	1	9,000
Gordon A. Friesen Associates, Inc.	1	75,000

<u>Firm</u>	<u>Number of Contract</u>	<u>Maximum Amount Payable</u>
George Washington University	1	400,000
Alexander Grant & Company	2	70,000
Harbridge House, Inc.	6	448,994
W. H. Harrison & Associates	1	6,500
Donald M. Heider and Associates	1	9,000
Robert Heller and Associates, Inc.	5	449,589
Hill and Knowlton, Inc.	2	144,000
Hermitt Holland and Associates	1	15,710
Johns Hopkins University	2	459,670
Paul Howell Associates	1	20,925
Rumphrey Brothers & Company	2	100,000
International Association of Chiefs of Police	1	101,350
International Business Machine Corp.	2	470,130
Jessup and Company	1	32,363
A. T. Kearney and Company	7	180,345
Lester B. Knight & Associates, Inc.	2	21,000
Leahy and Company	1	1,000
Leeds, Hill and Jewett	1	10,000
Lybrand, Ross Bros. & Montgomery	1	10,400
The M & T Company of Philadelphia	1	250,000
Market Research Corporation of America	1	1,000
Peat Marwick, Mitchell and Company	3	312,600
Massachusetts Institute of Technology	1	240,000
H. B. Maynard and Company, Inc.	9	613,332
McDonnell Aircraft Corporation	1	146,000
McKinsey and Company	18	826,178
Milliman and Robertson, Inc.	1	2,500
National Academy of Sciences	2	130,185
National Analysts, Inc.	1	13,120
National Bureau of Economic Research	2	44,500
National Training Laboratories	3	4,093
North Carolina State College	1	7,500
Northwestern University	2	30,233
Pennsylvania State University	1	4,630
Radio Corporation of America	2	4,086,759
Research Triangle Institute	1	52,000
Richardson, Bellows, Henry and Company, Inc.	2	117,778
Science Research Associates, Inc.	1	29,950
Social Science Research, Bureau of	2	124,650
Leland Stanford Junior University	1	352,764
Stanford Research Institute	3	1,158,200
Jack D. Stevens	1	7,500
J. E. Sutherland	3	438,730
Technical Operations, Inc.	1	19,750

Attachment B

<u>Firm</u>	<u>-3- Number of Contracts</u>	<u>Maximum Amount Payable</u>
Touche, Niven, Bailey and Smart	7	593,507
University of Arizona, Applied Science Laboratory	1	44,327
University of Georgia	1	2,000
University of Indiana	1	19,965
University of Michigan	1	308,000
University of Minnesota	1	7,500
University of North Carolina	1	24,118
University of Pennsylvania, Wharton School of Finance	1	86,000
University of Southern California	1	30,875
University of Syracuse	1	60,000
University of Toledo	3	502,200
Voorhies, Walker, Smith and Smith	1	7,800
Shaw Walker Company	1	55,800
Wyatt Company	2	30,000

FISCAL YEAR 1960
STATUTORY AUTHORIZATIONS FOR OBTAINING SERVICES
OF EXPERTS AND CONSULTANTS IN ACCORDANCE WITH SECTION 15
OF THE ADMINISTRATIVE EXPENSES ACT OF 1946

Agency (or unit)	Maximum Rate per Individual	Maximum Number of Individuals	Maximum Days per Individual	Maximum Amount Expendable	Temporary (1 year) Limit on Contract
AGRICULTURE DEPARTMENT					
Agri. Marketing Service	*	-	-	\$ 25,000	*
Agri. Research Service	*	-	-	75,000	*
Forest Service	*	-	-	25,000	*
Office of Information	*	-	-	10,000	*
Rural Electrification Admin.	*	-	-	150,000	*
Soil Conservation Svs(Cons. Op)	*	-	-	5,000	*
Soil Conservation (Watershed Prev.)	*	-	-	100,000	*
Soil Conservation (Flood Prev.)	*	-	-	100,000	*
COMMERCE DEPARTMENT					
General Provisions	\$ 50	-	-	-	*
Patent Office	50	-	-	25,000	*
Public Roads	100	-	-	WFE 10,000 at rates in excess of \$50 per day	*
Weather Bureau	*	-	-	25,000	*
DEFENSE DEPARTMENT					
General Provisions	*	-	-	-	No
Army (St. Law. River Jt. Bd)	100	-	-	-	*
Army (Admin. Ryukyu Islands)	*	10	-	-	*
HEALTH, EDUCATION & WELFARE DEPARTMENT					
General Provisions	*	-	-	-	*
Water Pollution Control	*	-	-	-	*
INTERIOR DEPARTMENT					
General Provisions	75	-	-	175,000	*
Saline Water Research	*	-	-	-	*
JUSTICE DEPARTMENT					
General Provisions	75	-	-	-	*
Federal Prison Industries	*	-	-	-	*
LABOR DEPARTMENT					
General Provisions	*	-	-	-	*
Labor-Mgmt. Report. & Disc.	*	-	-	-	*

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Attachment C

Agency (or unit)	Maximum Rate per Individual	Maximum Number of Individuals	Maximum Days per Individual	Maximum Amount Expendable	Temporary (1 year) Limit on Contracts
POST OFFICE DEPARTMENT					
Administration, Reg.Op. & Res.	*	-	-	-	*
Postal Modernization	*	-	-	-	*
STATE DEPARTMENT					
Admin. of Foreign Affairs					
Acquas. Oper.&Mnt. of Bldgs. Abroad	*	-	-	-	*
Salaries and Expenses	*	-	-	-	*
Am. Sect., Intral. Comm.	*	-	-	-	*
Caribbean Comm.	*	-	-	-	*
Educational Exchange	*	-	-	-	*
Intrnl. Atomic Energy Agen.	*	-	-	-	*
Mutual Sec. Prog.	\$ 75	-	-	-	No (for orgs)
Pan. Amer. Railway Cong.	*	-	-	-	*
South Pacific Comm.	*	-	-	-	*
World Health Organization	*	-	-	-	*
TREASURY DEPARTMENT					
Office of the Secretary	50	-	-	-	*
Bureau of Customs	*	-	-	-	*
Bureau of Narcotics	*	-	-	-	*
Internal Revenue Service	*	-	-	-	*
Coast Guard	*	-	-	-	*
Operating Expenses	*	-	-	-	*
Acquis'n., Const. & Improvts	*	-	-	-	*
ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS					
General	75	-	-	-	*
ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS					
General	50	-	-	-	*
ATOMIC ENERGY COMMISSION					
General	*	-	-	-	*
BUREAU OF THE BUDGET					
General	50	-	-	20,000	*
CENTURY 21 EXPOSITION					
General	50	-	-	-	*
CIVIL AERONAUTICS BOARD					
General	50	-	-	-	*

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Attachment C

Agency (or unit)	Maximum Rate per Individual	Maximum Number of Individuals	Maximum Days per Individual	Maximum Amount Expendable	Temporary (1 year) Limit on Contracts
CIVIL SERVICE COMMISSION					
Salaries & Expenses	*	-	-	22,000	*
Investigations for Intr. Orgs.	*	-	-	-	*
COMMISSION ON CIVIL RIGHTS					
General	50	-	-	-	*
CUSTOMS COURT					
General	*	-	-	-	*
COMMISSION ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE					
General	50	-	-	-	*
DISTRICT OF COLUMBIA GOVERNMENT					
General Provisions	*	-	-	-	*
Assessing	100	-	-	5,000	*
Public Schools	50	-	-	6,000	*
Washington Aqueduct	100	-	-	-	*
EXECUTIVE OFFICE OF THE PRESIDENT					
White House	-	-	-	-	*
Expenses of Mgmt. Hqrv.	75	-	-	-	*
EXPORT-IMPORT BANK					
General	75	-	-	-	*
FARM CREDIT ADMINISTRATION					
General (68 Stat. 317)	*	-	-	-	*
FEDERAL AVIATION AGENCY					
General	100	-	100	-	*
FEDERAL COAL MINE SAFETY BOARD OF REVIEW					
General	*	-	-	-	*
FEDERAL COMMUNICATIONS COMMISSION					
General	*	-	-	-	*
FEDERAL MEDIATION & CONCILIATION SERVICE					
General Provisions	*	-	-	-	*
FEDERAL POWER COMMISSION					
General	50	-	-	10,000	*
FEDERAL TRADE COMMISSION					
General	*	-	-	-	*

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Attachment C

Agency (or unit)	Maximum Rate per Individual	Maximum Number of Individuals	Maximum Days per Individual	Maximum Amount Expendable	Temporary (1 year) Limit on Contracts
FOREIGN CLAIMS SETTLEMENT COMMISSION					
General	50	-	-	-	*
GENERAL ACCOUNTING OFFICE					
General	*	-	-	-	*
GENERAL SERVICES ADMINISTRATION					
Oper. expenses, transp. & public utilities service	75	-	-	-	*
Strategic & critical materials	*	-	-	-	*
HOUSING & HOME FINANCE AGENCY					
General	*	-	-	-	*
INTERSTATE COMMERCE COMMISSION					
General	50	-	-	-	*
LIBRARY OF CONGRESS					
General	*	-	-	-	*
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
General	100	-	-	-	*
NATIONAL CAPITAL PLANNING COMMISSION					
General	*	-	-	-	*
NATIONAL LABOR RELATIONS BOARD					
General	*	-	-	-	*
NATIONAL MEDIATION BOARD					
General	*	-	-	-	*
NATIONAL SCIENCE FOUNDATION					
General	50	-	-	-	*
NATIONAL SECURITY COUNCIL					
General	50	-	-	-	*
OFFICE OF CIVIL & DEFENSE MOBILIZATION					
General	*	-	-	-	No (8 only)
Defense Production Program	50	-	-	-	*
OUTDOOR RECREATION RESOURCES REVIEW COMMISSION					
General	*	-	-	-	*

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Attachment C

Agency (or unit)	Maximum Rate per Individual	Maximum Number of Individuals	Maximum Days per Individual	Maximum Amount Expendable	Temporary (1 year) Limit on Contracts
PANAMA CANAL General	100	-	-	30,000	*
PRESIDENT'S ADVISORY COMM. ON GOVERNMENT ORGANIZATION General	50	-	-	-	*
RAILROAD RETIREMENT BOARD General provisions	*	-	-	-	*
RENEGOTIATION BOARD General	50	-	-	-	*
RIVER BASIN STUDY COMM. FOR SO. CAR., GEORGIA, ALABAMA, FLORIDA General	*	-	-	-	*
RIVER BASIN STUDY COMMISSION FOR TEXAS General	*	-	-	-	*
ST. LAWRENCE SEAMAY DEVELOPMENT CORP. General	100	-	-	WFE 5,000 at rates in excess of \$50 per day	*
SECURITIES AND EXCHANGE COMMISSION General	*	-	-	-	*
SELECTIVE SERVICE SYSTEM General	*	-	-	-	*
SMITHSONIAN INSTITUTION General	*	-	-	35,000	*
SUBVERSIVE ACTIVITIES CONTROL BOARD General	*	-	-	-	*
UNITED STATES INFORMATION AGENCY General	*	-	-	-	*
VETERANS ADMINISTRATION General	*	-	-	-	*

CORPORATIONS AND AGENCIES UNDER THE GOVERNMENT CORPORATION CONTROL ACT
General

*Provisions of Section 15 apply. Maximum rate payable to GS-15 was \$56.56 per day during most of FY 1959. Temporary (1 year) limit applies.

*Authority contained in continuing legislation, rather than annual appropriation act.
*This authority available to all departments and agencies for work on this program (Mutual Security Program, Defense Production Program).

**STATUTORY AUTHORIZATIONS FOR OBTAINING
SERVICES OF EXPERTS AND CONSULTANTS
(INDEPENDENT OF SECTION 15 OF THE
ADMINISTRATIVE EXPENSES ACT OF 1946)**

Agency (or unit)	Maximum Rate per Individual	Maximum Number of Individuals	Maximum Days per Individual	Maximum Amount Expendable	Temporary (1 year) Limit on Contract
ALL AGENCIES (Govt. Employees Trag. Act)					
Training of personnel (5 USC 2308)	-	-	-	-	No
ALL AGENCIES					
Mutual Security WOCs only (22 USC 1790(b))	0	-	-	-	No
Defense Production, WOCs only (50 App. USC 2160)	0	-	-	-	No
ALL AGENCIES EXCEPT DEPARTMENT OF DEFENSE (Fed. Prop. & Admin. Svs. Act)					
Personal or professional services (41 USC 252(c)(4))	-	-	-	-	No
Services by any educational institution (41 USC 252(c)(5))	-	-	-	-	No
DEPARTMENT OF DEFENSE					
Personal or professional services; OSD, Army, Navy, & AF (10 USC 2304(a)(4))	-	-	-	-	No
Services by any educational institution; OSD, Army, Navy, and AF (10 USC 2304(a)(5))	-	-	-	-	No
Civil Functions, Corps of Engineers (33 USC 569a)	\$100	-	-	-	*
AGRICULTURE					
Rural Rehabilitation Corporation Trust (appraisers, accountants, attorneys & others on a con- tractual basis) (40 USC 442)	-	-	-	-	No
Foot and Mouth Laboratory (experts or scientists (21 USC 113a) (NFE \$19,000 per annum)	-	-	-	-	No
COMMERCE					
Highways (23 USC 307(a))	-	-	-	-	No
STATE					
Mutual Development Loan Fund services of attorneys (22 USC 1875c)	-	-	-	-	No

Agency (or units)	Maximum Rate per Individual	Maximum Number of Individuals	Maximum Days per Individual	Maximum Amount Expendable	Temporary (1 year) Limit on Contracts
HEALTH, EDUCATION, AND WELFARE					
Public Health Service '60 Apprn. Act	(NTE \$19,000 per annum)	-	(limited period of time)	-	-
Indian Health activities '60 Apprn. Act	\$100	-	-	\$10,000	*
D. C. GOVERNMENT					
Engineering or other professional services (PL 85-104; 73 Stat. 235)	-	-	-	-	No
FARM CREDIT ADMINISTRATION					
Experts (12 USC 659 & 1141b)	-	-	-	-	No
Federal Land Banks (12 USC 673)	-	-	-	-	No
General (12 USC 636)	-	-	-	-	?
(12 USC 1020a)	-	-	-	-	No
(7 USC 15061)	-	-	-	-	No
(15 USC 713 a10)	-	-	-	-	No
FEDERAL TRADE COMMISSION					
Special Experts (15 USC 42)	-	-	-	-	No
FEDERAL MEDIATION & CONCILIATION SERVICE					
Arbiters, conciliators & mediators '60 apprn., (73 Stat. 339)	\$75	-	-	-	*
GENERAL SERVICES ADMINISTRATION (5 USC 630h(b))					
Mgmt. & disposal of property	*	-	-	-	*
Federal Records Management	*	-	-	-	*
Procurement Procedures	*	-	-	-	*
LIBRARY OF CONGRESS (2 USC 154 et seq.)					
Trust Fund (gen'l authority)	-	-	-	-	No
NATIONAL MEDIATION BOARD ('60 apprn.)					
Referees under sec. 3 of FR Labor Act	75	-	-	-	*
NATIONAL SCIENCE FOUNDATION (42 USC 1870c)					
Scientific research (gen'l auth)	-	-	-	-	No
SECURITIES AND EXCHANGE COMMISSION (15 USC 78d)					
Experts, generally	-	-	-	-	*
Experts, under 15 USC 77, 80b18, and 80a45 (subj. to class act)	*	-	-	-	*

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UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON 25, D. C.

Honorable Lyndon B. Johnson

President of the Senate

Dear Mr. President:

The Civil Service Commission is submitting for the consideration of the Congress a draft of a bill "To simplify, modernize, and consolidate the laws relating to the employment of civilians in more than one position and the laws concerning the civilian employment of retired members of the uniformed services, and for other purposes." Also enclosed are a section analysis of the draft bill and a statement of purpose and justification.

The proposed legislation is needed for several reasons. First, it is important that the Government be able to obtain the best qualified people available to fill its civilian positions. We can no longer afford to exclude from consideration for employment retired officers who have highly technical and urgently needed skills. Second, if the proposed legislation were enacted the Government would be able to provide fair treatment for all categories of retired military personnel. Substantial inequities now exist. Third, reasonable safeguards should be established so that employment of retired military personnel does not unfairly hamper career opportunities for present civilian personnel. Fourth, a modern, statute is needed in order to consolidate and simplify the present numerous, obsolete, and confusing statutes on dual compensation and dual employment.

The need for a revision of the dual compensation and dual employment statutes is of long standing. Over the past several years, Members of Congress, the Civil Service Commission, and Federal agencies have recommended various amendments designed to help meet Government manpower needs, to equalize the treatment of retired military personnel, and to simplify administration. This long period of consideration has clarified the issues involved and we believe that the proposed bill treats such issues in a manner which is fair to all individuals concerned and best serves the public interest.

The Bureau of the Budget advises that the enactment of the recommended bill will be consistent with the Administration's objectives.

A similar letter is being sent to the Speaker of the House.

By direction of the Commission:

Sincerely yours,

Statement of Purpose and Justification

Purpose

1. To authorize the employment of retired military personnel, and to permit such personnel to receive full civilian pay but to limit retired pay to the first \$2,000 of such retired pay plus one half of the remainder, if any. The Civil Service Commission would be given the authority to grant exceptions to this limitation on combined compensation if it determined such exceptions to be necessary in order to meet special or emergency government employment needs.
2. To authorize a "fresh start" principle with respect to retired military personnel who accept Federal civilian employment. With the exception of those whose retirement is based on disability incurred in combat or caused by an instrumentality of war in time of war, and of those whose retirement is based on less than eight years of full-time active duty, retired military personnel would not receive veterans preference nor would their military time count in computing leave, retirement, or reduction-in-force retention credits.
3. To continue the policies of exempting certain military personnel disabled in line of duty from the restrictions on employment of retired military personnel. Those retiring with less than eight years of active duty would also be exempted.
4. To limit civilian employees in the Federal Government to compensation for one full-time position, unless an exception to this restriction is granted by the Civil Service Commission on the basis of Government employment needs.
5. To make uniform, simplify, and consolidate in one law all statutory provisions relating to the Federal civilian employment of retired military personnel and the dual employment of Federal civilian employees.

Justification

CURRENT SITUATION:

There are a considerable number of statutes relating to the dual employment and dual compensation of Federal civilian and retired military personnel. The earliest of these was enacted in 1894; the most recent, in 1959. These statutes are complicated; some are overlapping, some are inconsistent, and a number are no longer realistic in the light of current conditions. Because the basic statutes arbitrarily restrict employment and are out of date, many special exceptions have been sought and granted.

The basic intent of the early dual employment and dual compensation laws was not to prohibit entirely the dual employment of civilian employees or the hiring of retired military personnel. The purpose was primarily to limit such employment to a reasonable extent—reasonable from the points of view of both the Government and the employee. When the present dollar limits were set many years ago, they represented a reasonable annual income for one person; however, because of the differences between today's salary levels and living costs and those of sixty (or even twenty) years ago, the restrictions now serve as a bar rather than a limitation. Thus, the present effect of the basic statutes differs markedly from that originally intended.

A second consequence of the rigid limits in the basic laws has been the enactment, over the years, of legislation to meet one special situation or another. While many of these statutes are identified as exceptions to the basic restrictions, they are not necessarily inconsistent with the original purpose of the Congress, which, as mentioned earlier, was to permit dual employment within reasonable limits. The cumulative effect of these various acts of Congress, however, is a body of law that fails to provide a consistent policy for the employment of Federal civilian personnel in more than one capacity or for the hiring of retired military personnel.

Employment of retired military personnel

The present restrictions on the employment of retired military personnel in civilian positions are inconsistent and inequitable and have no relation to the Government's hiring needs. Various categories of military retirees are exempted from the prohibitions and restrictions. All enlisted men, certain commissioned officers, and some warrant officers retired from military service may now be hired for Federal civilian jobs without restriction on the receipt of retired pay. At present, certain regular officers retired for age or length of service are the only retirees who cannot hold Federal positions if either their retired pay or the salary of the position is \$2,500 a year or more. Disabled regular officers whose disability was not incurred in combat or caused by an instrumentality of war in time of war are limited to a maximum combined rate of \$10,000 a year for Federal civilian salary and military retired pay.

Among the retired officers still subject to restrictions are many who possess special skills that are particularly valuable to the Government. Under present law, these skills, often developed at Government expense, are available and attracted to private industry but not to the Federal civil service.

Dual employment of civilians

The present restrictions on dual civilian employment also hamper effective Government manpower utilization. The Postmaster General may employ for postal duties, in addition to their regular duties, custodial employees who are under the jurisdiction of the General Services Administration at Federal buildings occupied in any part by the postal service, but he is prohibited from hiring other employees of other agencies for part-time work during the Christmas rush. The Agriculture and Interior Departments cannot hire critically needed and available Federal employees as emergency firefighters. These are avoidable difficulties that should be eliminated.

Problems in administering present laws

Administrative difficulties under the present laws impede efficient Government management. The complexity of the statutes make economy of administration impossible. Agencies encounter continual problems in their efforts to make sure that existing restrictions are observed. The cost involved in attempting to reconcile the various statutes as applied to specific cases is known to be large, even though it cannot be accurately estimated for any given period of time. Numerous decisions of the Comptroller General have been required. Appointing, payroll, certifying, and disbursing officers must be conversant with a large body of highly complicated law.

Injustices to individuals have also occurred because of misinformation and erroneous conceptions of what the law requires. Private bills have been introduced in Congress to relieve cases of unusual hardship that have resulted from such situations.

Summary

Thus, the current situation is that the dual compensation-dual employment laws are inequitable, are difficult to administer, and prevent the government from obtaining certain well-qualified personnel for hard-to-fill positions.

PROPOSED LEGISLATION:

Employment of retired military personnel

The proposed law would repeal the statutory provisions which, in effect, prohibit certain categories of retired regular officers from holding a Federal civilian job. The policy, expressed in several statutes, of limiting the amount of combined income from military retirement and civilian pay would be continued but would be modified to establish consistent treatment for all the various categories of retired military personnel. Limitations on combined compensation would be reasonable in terms of present salary levels and dollar values.

The proposed law would also establish a "fresh start" principle for retired military personnel employed in Federal civilian jobs. Since persons retiring from the military service have generally realized retirement benefits based on a military career, it seems desirable and equitable for them to start Federal civilian careers on the same basis as others who are also entering the civil service for the first time. Therefore, the bill would: (a) require that their prior military service not be counted in computing length of service for reduction-in-force, leave, and retirement purposes; and (b) withhold veterans preference. The purpose of the Veterans Preference Act of 1944 was primarily to provide preference for civil service employment to those veterans who had interrupted their regular civilian careers to enter military service during time of war.

The proposed law would continue the principle of treating separately those retired military personnel whose retirement was based on disability incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in line of duty during a period of war. Such persons would not be subject to the limitations on combined compensation, would continue to receive veterans preference, and would continue to receive credit for length of military service in computation of retention credits for reduction-in-force purposes. Similar treatment would be accorded retired military personnel who retire with less than eight years of full-time active duty. Such persons are typically those who were in the military service during a time of emergency and who continued to participate in the reserve program after they returned to civilian life.

In view of the fact that there are certain occupations for which it is difficult to obtain well-qualified personnel, the proposed law would give the Civil Service Commission authority to grant exceptions to the above mentioned limitations on combined compensation. Exceptions could also be granted in national emergency situations.

Those retired military personnel who are already employed in the Federal service would retain their present rights with regard to veterans preference and credit for military service. They could elect either to remain subject to the present limitations on compensation or to come under the provisions of the proposed law.

It is recognized that there are some controversial issues involved in the employment of retired military personnel in Federal civilian positions. Some people maintain that a retired military person has earned his military retirement pay as a result of his military service; therefore, if he is employed by the Government in a civilian capacity he is entitled to both his full military retirement pay and the regular civilian pay for the position. Others believe that no person should receive retired pay and regular pay from a single employer at the same time. The proposed bill represents what seems to be a reasonable middle ground between these two points of view, by providing that \$2,000 of the retired pay, the approximate average non-disability retired pay received by enlisted personnel, plus $\frac{1}{2}$ of the remainder may be paid along with the regular pay for the civilian position.

This restriction on combined compensation would apply to most retired military personnel, including a number of categories to which no such restrictions now apply, but not to those whose retirement is based on disability incurred in combat or caused by an instrumentality of war in time of war or to those whose retirement is based on less than eight years of full-time active duty.

Some people also maintain that retired military personnel have an unfair advantage over other civilian employees in a reduction in force by reason of veterans preference eligibility and credit for years of military service. This advantage has been eliminated by the "fresh start" principle explained above.

Dual employment of civilians

Those portions of the bill which deal with employment of civilian employees in more than one position may be less controversial but are no less important. The proposed law would limit civilian employees to one full-time job; part-time employees would be limited to a combination of part-time positions equaling one full-time position. The Commission would be authorized to grant exceptions to these restrictions when the Government could not otherwise readily obtain the needed services. This authority to grant exceptions would be used to meet situations of the kind which now have to be excepted by statute. An example is the exception, granted by law, which permits District of Columbia teachers to accept additional compensation for services rendered in connection with the operation of night schools in the public schools of the District of Columbia.

Summary

In summary, the proposed legislation would make an important source of skilled manpower available to the Government, would eliminate inequities in the treatment of retired military personnel, and would provide a single modern statute in place of a collection of overlapping and out-dated laws.

A BILL

To simplify, modernize, and consolidate the laws relating to the employment of civilians in more than one position and the laws concerning the civilian employment of retired members of the uniformed services, and for other purposes.

Be it enacted by the Senate and House of Representatives of
The United States of America in Congress assembled. That this
Act may be cited as the Dual Compensation Act of 1961.

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TITLE I DEFINITIONS AND EMPLOYMENT OF RETIRED MEMBERS OF UNIFORMED SERVICES

Sec. 101 As used in This Act--

(a) "member" and "uniformed services" have the definitions given them by the Career Compensation Act of 1949, as amended (37 USC 231);

(b) "a retired member of a uniformed service" means, unless otherwise specified, a member or former member of a uniformed service who is entitled, under any provision of law, to retired or retirement pay on account of his service as a member of a uniformed service.

(c) "civilian office" means any civilian office or position, appointive or elective, under the U. S. government or the municipal government of the District of Columbia or under any corporation the majority of the stock of which is owned by the United States, including intermittent or consultative positions.

Sec. 102 (a) Except as provided in subsections (b), (c), and (d) of this section, a retired member of a uniformed service shall receive the full salary of any civilian office which he holds but, during the period he holds such office, his retired or retirement pay shall be reduced to an annual rate equal to the first \$2,000 of such retired pay plus one half of the remainder, if any.

(b) The reduction in retired or retirement pay required by subsection (a) of this section shall not apply to a retired member of a uniformed service whose retirement was (1) based on disability incurred in combat with an enemy of the United States, or caused by an instrumentality of war and incurred in line of duty during a period of war (as that term is defined in Sections 101 and 301 of Title 38 U.S.C.); or (2) based on less than eight years of full time active service not including periods of active duty for training.

(c) The reduction in retired or retirement pay required by subsection (a) of this section shall not apply to employment of a retired member of a uniformed

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service on a temporary, part-time, or intermittent basis for the first thirty days of such employment during any fiscal year.

(d) Exceptions to the restrictions in subsection (a) of this section may be authorized under the regulations of the U. S. Civil Service Commission whenever the Commission determines that exceptions are warranted on the basis of special or emergency Government employment needs which cannot otherwise be readily met.

~~Sec. 102~~ (e) Notwithstanding the provisions of subsection (a) of this section, a retired member of a uniformed service holding a civilian office before the effective date of this Act may elect either to remain subject to the limitations on compensation applicable to him on the day before the effective date of this Act, or to come within the limitations of this section. Such an election is irrevocable, and must be filed with the department by which the retired pay is paid no later than 90 days after the effective date of this Act. Retired members who do not make a positive election will be considered to have elected to remain subject to the limitations applicable on the date before the effective date of this Act. An election to remain subject to the limitations on compensation in effect on the day before the effective date of this Act lapses and may not be renewed with respect to any reappointments or reinstatements made after the effective date of this Act and involving a break in service of more than 30 days.

(f) A retired member of a uniformed service retired under the Act of April 3, 1939 holding a civilian office before the effective date of this act is deemed not to have been subject to the restrictions on compensation provided in Section 59 a of Title 5 U.S. Code.

Sec. 103 (a) Section 2 of the Veterans Preference Act of 1944, 5 U.S.C. 851 is amended by inserting before the first word of the Section the symbol "(a)", and immediately following the words "preference shall be given" a comma and the phrase "except as provided in subsection (d)".

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(b) Section 2 is further amended by adding the following subsection: "(b) A retired member of a uniformed service, as defined in the Dual Compensation Act of 1961, appointed, or reinstated or reemployed with a break in service of more than 30 days, after the effective date of the Dual Compensation Act of 1961 shall be given preference only if his retirement was (1) based on disability incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in line of duty during a period of war (as that term is defined in sections 101 and 301, Title 38, United States Code); or (2) based on less than eight years of full time active service not including periods of active duty for training.

(c) Section 12 of the Veterans Preference Act of 1944 is amended by inserting before the first word the symbol "(a)" and by inserting in the first proviso of the first paragraph after the word "That" the words, "except as provided in subsection (b),".

(d) Section 12 is further amended by adding subsection (b) as follows: "(b) In computing length of total service, a retired member of a uniformed service appointed, or reinstated or reemployed with a break in service of more than 30 days, after the effective date of the Dual Compensation Act of 1961, shall be given credit for the length of time spent in active service in the uniformed services only if his retirement was (1) based on disability incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in line of duty during a period of war (as that term is defined in sections 101 and 301, Title 38, United States Code); (2) based on less than eight years of full time active service not including periods of active duty for training.

Sec. 104 The portion of Section 3(b) of the Civil Service Retirement Act as amended, appearing before the phrase, "that for purposes of Section 9(c) (1)" is amended to read as follows:

"(b) An employee or Member shall be allowed credit for periods of military service prior to the date of the separation upon which title to annuity is based, except that if the employee or Member is awarded retired pay on account of military service, his military service shall not be counted unless (1) the retired pay is awarded on account of a service connected disability (A) incurred in combat with an enemy of the United States, or (B) caused by an instrumentality of war and incurred in line of duty during a period of war (as that term is defined in Sections 101 and 301 of Title 38, United States Code), or (2) the military service was performed before the effective date of the Dual Compensation Act of 1961 and serves as a basis for retired or retirement pay under the provisions of chapter 67, Title 10, United States Code: Provided, that credit will be allowed for up to eight years active military service, regardless of when performed, which is counted toward retired or retirement pay under the provisions of chapter 67, Title 10, United States Code: Provided further,"

Sec. 105 The last two sentences of subsection (a), section 203 of the Annual and Sick Leave Act of 1951 (5 U.S.C. 2062(a)) are amended to read as follows:

"In determining years of service for the purposes of this subsection, there shall be included all service creditable under the provisions of section 3 of the Civil Service Retirement Act for the purposes of an annuity under such Act and the determination of the period of service rendered may be made upon

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the basis of an affidavit of the employee. Active military service of retired members of the uniformed services is not creditable in determining years of service for the purpose of this subsection unless such military service is creditable under section 3(b) of the Retirement Act toward annuity concurrently with receipt of retired pay. In the case of an officer or employee who is not paid on the basis of biweekly pay periods, the leave provided by this title shall accrue on the same basis as it would accrue if such officer or employee were paid on the basis of bi-weekly pay periods."

Title II. LIMITATION ON DUAL COMPENSATION FOR MORE THAN ONE CIVILIAN OFFICE

Sec. 201 A person may not receive compensation from more than one civilian office for more than 40 hours work in any one week, except as authorized under regulations of the U. S. Civil Service Commission, when the Commission determines that services cannot otherwise be readily obtained.

Sec. 202 This title does not apply to:

(1) compensation on a when-actually employed basis received from more than one consultant or expert position, as long as such dual compensation is not received for the same hours of the same day;

(2) compensation by fees paid on other than a time basis;

(3) compensation received by teachers, school officers, and custodial employees of the Board of Education of the District of Columbia for services rendered in connection with the operation of night or vacation schools in the public schools of the District of Columbia;

(4) compensation received by custodial employees of the Board of Education of the District of Columbia for the services rendered in school buildings to any Federal department or agency, or any department of the government of the District of Columbia other than the Board of Education, during its use of school buildings in accordance with the rules of the Board of Education governing the use of such buildings;

(5) compensation received by teachers in the public schools of the District of Columbia for employment during the summer vacation period;

(6) extra compensation paid by the Weather Bureau to employees of other Government agencies for taking and transmitting meteorological observations;

(7) compensation paid by the Department of Commerce to its employees and the employees of other departments and independent offices of the Government who are employed, with the consent of the head of the respective department or office,

in field work in connection with the work provided for in title 13 of the United States Code, as authorized prior to the enactment of this Act by title 13 U.S.C. 23(b); and compensation paid to enlisted men and officers of the armed services who may be appointed and compensated for the enumeration of the personnel of the armed forces, as authorized prior to the enactment of this Act by 13 U.S.C. 24(a);

(8) extra compensation paid by the Coast and Geodetic Survey to employees of other Federal agencies for making oceanographic observations or tending seismographs;

(9) compensation received from more than one postal position when, in the judgment of the Postmaster General, the needs and interests of the Postal Service require such dual employment; and compensation received from postal positions by custodial employees working under the jurisdiction of the General Services Administration at Federal buildings occupied in any part by the Postal Service when the Administrator of the General Services Administration consents to such dual employment;

(10) compensation paid to an officer or employee serving more than one corporation or other organization under the supervision of the Farm Credit Administration;

(11) compensation paid to employees of the Library of Congress for performing special functions for which funds have been entrusted to the board or the Librarian or that are in connection with the cooperative undertakings of the Library;

(12) compensation received by persons serving in more than one position on the effective date of this Act under properly authorized appointments, so long as such appointments continue; and

(13) any teacher employed under the provisions of the Defense Department Overseas Teachers Pay and Personnel Practices Act who (1) is performing services as a teacher at the close of a school year, (2) agrees in writing to serve as a

teacher for the next school year, and (3) is employed in another position in the recess period immediately preceding such next school year, or during such recess period, receives quarters, allowances or additional compensation referred to in sections 7 and 8 of such Act, or both, as the case may be.

Title III. EFFECTIVE DATE AND REPEALERS

Sec. 301 The provisions of this Act take effect on January 1, 1962.

Sec. 302 If any part of this Act shall be found to be unconstitutional, the rest of it shall be considered as in full force and effect.

Sec. 303 (a) The following laws and parts of laws are repealed on the effective date of this Act.

(1) section 1763 of the Revised Statutes (5 U.S.C. 58), relating to the receipt of compensation from more than one office;

(2) section 1764 of the Revised Statutes (5 U.S.C. 69), relating to additional compensation for extra services;

(3) section 1765 of the Revised Statutes (5 U.S.C. 70), relating to additional compensation for any person whose salary is fixed by law or regulation;

(4) section 2074 of the Revised Statutes (25 U.S.C. 50), prohibiting the holding of two offices under title XXVIII of the Revised Statutes;

(5) the Act of July 27, 1882 (22 Stat. 176) authorizing additional compensation for Government employees engaged in cataloging Government publications by the Joint Committee on Printing;

(6) the following sentence in the Act of February 25, 1885 (23 Stat. 329):
"And hereafter no consul or consul-general shall be entitled to or allowed any part of any salary appropriated for payment of a secretary or second secretary of legation or an interpreter."

(7) the Act of January 20, 1888 (25 Stat. 1), providing for the appointment of a Commissioner of Fish and Fisheries who shall not hold any other office;

(8) Joint Resolution No. 3 of February 5, 1889 (25 Stat. 1019), authorizing the President to appoint an officer of the United States Coast and Geodetic Survey as a delegate to the International Geodetic Association, who was to serve without extra salary or additional compensation;

(9) section 2 of the Act of July 31, 1894 (28 Stat. 205), as amended by the Act of May 31, 1924 (43 Stat. 245), by section 6 of the Act of July 30, 1937 (50 Stat. 549), and by the Act of June 25, 1938 (52 Stat. 1194), relating to the holding of two offices (5 U.S.C. 62);

(10) that part of the Act of February 20, 1895 (28 Stat. 676), providing for the compensation of the members of a commission to recommend the location of the building authorized by the Act;

(11) section 7 of the Act of June 3, 1896 (29 Stat. 235; 5 U.S.C. 63), relating to the employment of retired officers of the Army and Navy in connection with river and harbor improvements;

(12) that part of section 7 of the Act of June 28, 1902 (32 Stat. 483), providing for the appointment and compensation of officers of the Army and Navy to and under the Isthmian Canal Commission;

(13) the paragraph of the Act of March 4, 1909 (35 Stat. 931), relating to the pay of retired Army and Navy officers and enlisted men then in the employ of the Isthmian Canal Commission;

(14) the paragraph of the Act of August 5, 1909 (36 Stat. 130), authorizing the National Waterways Commission to pay not to exceed three officers or employees of the Government without regard to the Act of July 31, 1894 and other laws;

(15) section 12 of the Act of August 20, 1912 (37 Stat. 319), to appoint members of a Federal Horticultural Board from among the employees of the Department of Agriculture;

(16) section 6 of the Act of May 10, 1916 (39 Stat. 120), as amended by the Act of August 29, 1916 (39 Stat. 582), relating to double salaries (5 U.S.C. 58 and 59);

(17) section 9 of the Act of October 6, 1917 (40 Stat. 384; 5 U.S.C. 61), relating to the application of section 6 of the Act of May 10, 1916 to teachers in the public schools of the District of Columbia who also teach in night schools and vacation schools;

(18) section 8 of the Act of March 21, 1918 (40 Stat. 455-456), authorizing the President to avail himself of the assistance of Government employees in the operation of transportation facilities taken over by the President;

(19) sections 3 and 4 of the Act of April 5, 1918 (40 Stat. 507), authorizing the appointment of Federal employees to membership on the board of directors of the War Finance Corporation and providing for their compensation;

(20) the last paragraph under the heading "District of Columbia" and under the subheading "Public Schools" contained in the first section of the Act of July 8, 1918 (40 Stat. 823; 5 U.S.C. 61), relating to the application of section 6 of the Act of May 10, 1916 to employees of the community center department of the public schools of the District of Columbia;

(21) the ninth paragraph under the heading "District of Columbia" and under the subheading "Public Schools" contained in the first section of the Third Deficiency Act, fiscal year 1920 (41 Stat. 1017; 5 U.S.C. 61), relating to the application of section 6 of the Act of May 10, 1916 to employees of the school garden department of the public schools of the District of Columbia;

(22) the proviso contained in the paragraph under the heading "Bureau of the Budget" in the Act of February 17, 1922 (42 Stat. 373, 5 U.S.C. 64), relating to the application of section 2 of the Act of July 31, 1894 to retired officers of the Army, Navy, Marine Corps, or Coast Guard appointed to certain offices in the Bureau of the Budget;

(23) that part of section 6 of the Act of March 3, 1925 (43 Stat. 1108), as amended by the Act of January 27, 1926 (44 Stat. 2), relating to the application of section 6 of the Act of May 10, 1916 to employees of the Library of Congress (2 U.S.C. 162; 5 U.S.C. 60), which reads: "; nor shall any additional compensation so paid to such employees be construed as a double salary under the provisions of section 6 of the act making appropriations for the legislative, executive and judicial expenses of the Government for the fiscal year ending June 30, 1917, as amended (Thirty-ninth Statute at Large, page 582)"

(24) section 3335(a) of Title 39 U.S. Code, relating to the employment of postal employees in a dual capacity;

(25) the fifth sentence of section 3 of the Reconstruction Finance Corporation Act, as in effect on June 30, 1947 (47 Stat. 6) and as continued by section 3(a) of such Act, as amended (61 Stat. 203, 62 Stat. 262; 15 U.S.C. 603(a)), relating to employees of the Reconstruction Finance Corporation, which reads: "Nothing contained in this or in any other Act shall be construed to prevent the appointment and compensation as an employee of the corporation of any officer or employee of the United States in any board, commission, independent establishment, or executive department thereof.";

(26) section 212 of the Act of June 30, 1932 (47 Stat. 406), as amended by section 3 of the Act of July 15, 1940 (54 Stat. 761), by the Act of February 20 1954 (68 Stat. 18), by section 2 of the Act of August 4, 1955 (69 Stat. 498), by section 2201 (11) of the Act of June 17, 1957 (71 Stat. 158) and by section 13 (d) of the Act of September 2, 1958 (72 Stat. 1264), relating to the limitation on the amount of retired pay received for commissioned officer service when combined with Government civilian salary (5 U.S.C. 59a);

(27) the Act of September 13, 1940 (54 Stat. 885), authorizing Jesse H. Jones, Federal Loan Administrator, to exercise the duties of the Office of Secretary of Commerce;

(28) the Act of July 1, 1942 (56 Stat. 467), relating to the application of section 6 of the Act of May 10, 1916 to custodial employees of the Board of Education of the District of Columbia;

(29) the Act of March 29, 1945 (59 Stat. 38-39), authorizing the Doorkeeper of the House of Representatives during the Seventy-ninth Congress to employ Government employees for folding speeches and pamphlets;

(30) the Act of August 10, 1946 (60 Stat. 978), as amended by the Act of October 29, 1951 (65 Stat. 662), relating to the appointment and employment of certain retired officers in the Veterans Administration (5 U.S.C. 64a);

(31) that part of section 532 (a) of the Mutual Security Act of 1954 (68 Stat. 859 and 860, 70 Stat. 561; 22 U.S.C. 1792), relating to the exemption of certain service under the mutual security program from section 212 of the Act of June 30, 1932 and other dual compensation laws, which reads: ", section 212 of the Act of June 30, 1932, as amended (5 U.S.C. 59a), or any other Federal law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities";

(32) section 532(b) of the Mutual Security Act of 1954 (68 Stat. 860; 22 U.S.C. 1792), relating to retired commissioned officers;

(33) section 3335(c) of Title 39 U.S. Code, relating to the dual employment of custodial employees in post office buildings operated by the General Services Administration;

(34) the first proviso under the heading "Department of the Army" and under the subheading "Military Personnel" contained in title III of the Department of Defense Appropriation Act, 1958 (71 Stat. 313; Public Law 85-117), relating to retired military personnel on duty at the United States Soldiers' Home, which

reads: "Provided, That section 212 of the Act of June 30, 1932 (5 U.S.C. 59a), shall not apply to a retired military personnel on duty at the United States Soldiers' Home:", and provisions to the same effect contained in other appropriation acts enacted prior to the date of the enactment of this Act relative to retired military personnel on duty at the United States Soldiers' Home (5 U.S.C. 59b); and

(35) section 23(b) of the Act of August 31, 1954 (68 Stat. 1014), as amended by section 2 of the Act of September 13, 1960 (74 Stat. 911), and section 24(c) of the Act of August 31, 1954 (68 Stat. 1915), as amended by section 3 of the Act of September 13, 1960 (74 Stat. 911), relating to the collection of census data (13 U.S.C. 23(b) and 24(c));

(36) section 10(b) of the Defense Department Overseas Teachers Pay and Personnel Practices Act, approved July 17, 1959 (73 Stat. 217).

(b) All other provisions of law inconsistent with or superseded by this Act are hereby repealed.